

# NEWS RELEASE

**OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF ILLINOIS**

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***For Immediate Release***

***NOVEMBER 3, 2005***

Ronald J. Tenpas, United States Attorney for the Southern District of Illinois, announced today that on November 3, 2005, **LETITIA M. SLACK**, age 40, of East St. Louis, Illinois, and a former manager in the Office of Community Development, City of East St. Louis, pled guilty before the United States District Court for the Southern District of Illinois, East St. Louis, Illinois, to a two-count Information charging her with Mail Fraud, in violation of Title 18, United States Code, Section 1341; and Filing a False Tax Return, in violation of Title 26, United States Code, Section 7201. Sentencing is scheduled for February 3, 2006.

At the time of her guilty plea, the **LETITIA M. SLACK**, stipulated that, while employed in the Community Development Office, for the City of East St. Louis, Illinois, she diverted and embezzled approximately \$160,000.00 in funds the office received from the United States Department of Housing and Urban Development which were to assist East St. Louis residents and businesses through a Home Program and a Community Development Program. **Slack** created false vendor numbers to document payments for services and materials purportedly related to projects in the Home Program and the Community Development Program. **Slack** also created false invoices to reflect moneys due to vendors purportedly for work performed and materials provided on projects in the Home Program and the Community Development Program. **Slack**, by using these false vendor numbers and false invoices, falsely obtained checks made out to SCU from the Community Development Office's accounts and caused these checks to be mailed from the Community Development Office to Scott

Credit Union, where they were deposited in **Slack's** checking account. In order to get Scott Credit Union to deposit these falsely obtained checks made out to SCU into her own checking account, **Slack** prepared false authorization letters, purportedly signed by the Director of the Community Development Office, and mailed these false authorization letters with each falsely obtained check to Scott Credit Union. **Slack** knew that moneys and funds she embezzled from HUD through the Community Development Office were reportable as taxable income. Nonetheless, for the tax year 2002, **Slack** failed to file a United States Individual Income Tax Return, Form 1040, with the Internal Revenue Service reporting either her legitimate income or the embezzled funds. Furthermore, for the tax years 2003 and 2004, **Slack** filed false United States Individual Income Tax Returns, Forms 1040, with the Internal Revenue Service, in which she knowingly failed to include the funds she had embezzled from HUD through the Community Development Office. Taxes due and owing for 2002 - 2004 total approximately \$41,588.40.

As a part of the plea, **Slack** agreed to make full restitution to the victim, HUD, and to file truthful tax returns for they years 2002 - 2004.

The maximum penalty that can be imposed for each violation of Mail Fraud is 20 years' imprisonment, or a \$250,000 fine, or both, and up to 3 years' supervised release. The maximum penalty that can be imposed for each violation of Filing a False Tax Return is 5 years' imprisonment or a \$100,000 fine, or both, and up to 3 years' supervised release

Information for the successful prosecution was obtained in an investigation conducted by the United States Attorney's Public Corruption Task Force, made up of agents of the Internal Revenue Service, Criminal Investigation; United States Postal Inspection Service, Criminal Investigation Division; the Illinois State Police, and the Federal Bureau of Investigation. The case is being handled by Assistant United States Attorney Hal Goldsmith.